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China Amends Seed Law to Develop Seed Industry

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Report Highlights:

On November 4, 2015, the National People's Congress (NPC) approved amendment to China's Seed Law. This is the first change to the legislation since it was enacted in 2000. This report provides an unofficial translation of the full text of the document. The old Seed Law is attached in the Appendix for comparison.

General Information:

Author Defined:

Executive Summary:

On November 4, 2015, the National People's Congress (NPC) approved amendment to China's Seed Law. This is the first change to the legislation since it was enacted in 2000. This report provides an unofficial translation of the full text of the document. The old Seed Law is attached in the Appendix for comparison.

General Information:

The following major modifications were made to the variety registration system:

1. The number of crops subject to variety registration requirements was reduced from 28 to five. The five seed varieties that will still need to be registered are rice, wheat, corn, cotton and soybean. Variety registration will no longer be required for other crops, such as rapeseed, potato and peanuts.
1. A "Green channel" is established to allow seed companies that meet certain requirements to conduct experiments required for the registration process themselves.
1. Seed companies no longer need approval to introduce a registered variety to a similar ecological region in another province in China.

A variety record system is established for certain crops not covered by the revised seed registration system. The government has not yet issued a list of crops to be covered by the variety record system.

Portions of the "Regulation of the People's Republic of China on Protection of New Plant Varieties" are incorporated into the revised law and penalties for violations are strengthened.

The Seed Production License and Seed Operation License are merged into one Seed Production and Operation License. Some requirements, such as minimum capital requirements, are removed to make it easier to obtain a license.

Government support and subsidies for China's seed industry are increased. For example, seed production and collection machinery may now be included in the agricultural machine subsidy category.

BEGIN TRANSLATION

Seed Law of the People's Republic of China

Chapter I General Provisions
Chapter II Germplasm Protection
Chapter III Variety Selection and Breeding, Registration and Record
Chapter IV New Varieties Protection
Chapter V Seed Production and Business Operation
Chapter VI Supervision and Administration on Seed
Chapter VII Seed Imports and Exports, and Foreign Cooperation
Chapter VIII Supporting Measures
Chapter IX Legal Liabilities
Chapter X Supplementary Provisions

Chapter I General Provisions

Article 1 This Law is enacted for the purpose of protecting and making rational use of germ plasm resources, standardizing the variety selection and the production and management of seeds, protecting the right of new plant variety, safeguarding the lawful rights and interests of seed producers, traders and seed users, improving the quality of seeds, pushing forward the industrial management of seeds, developing modern seed industry, safeguarding national food security, and promoting the development of crop cultivation and the forestry industry.

Article 2 This Law shall apply to the activities such as variety selection, production of, trading in and management of seeds engaged in within the territory of the People's Republic of China.

The term "seed" in this Law mean the materials for planting or propagating crops and forest trees, including grains, fruits, roots, stems, seedlings, sprouts, leaves and flowers, etc.

Article 3 The administrative departments for agriculture and for forestry under the State Council shall be respectively in charge of the work related to crop seeds and forest tree seeds throughout the country. The administrative departments for agriculture and for forestry under the local people's governments at or above the county level shall be in charge of the work related to crop seeds and forest tree seeds within their respective administrative regions.

Government agencies and related departments at all levels shall take measures to strengthen legal enforcement and supervision in seed industry, and panelize illegal activities violating the rights of farmers.

Article 4 The State supports the efforts to protect germplasm resources and to select, produce, update, and popularize improved varieties, encourages the combination of variety selection with seed production and trading, and rewards the entities and individuals that achieve outstanding successes in the protection of germ plasm resources and in the selection and popularization of improved varieties.

Article 5 The people's government at or above provincial level should make development plans according to the guidelines of Making Use of Science and Education to Improve Agriculture and to the requirements for the development of the planting and forestry industries, and organize for implementation.

Article 6 People's governments at or above the province level shall establish a system for reserving seeds, mainly to meet the need of production in times of calamities and swap of positions, and to ensure the security of agricultural and forestry production. The seeds kept in reserve shall be regularly inspected and replaced with new seeds. Specific measures for seed reserve shall be formulated by the State Council.

Article 7 The selection, experiment, validation and popularization of transgenic plant varieties shall be subject to safety assessment and strict safety control measures shall be taken. The administrative departments for agriculture and for forestry under the State Council shall strengthen tracking and supervision, and promptly announce the information regarding the validation and popularization of transgenic plant varieties. Specific measures in this respect shall be formulated by the State Council.

Chapter II Germplasm Protection

Article 8 The State protects germ plasm resources in accordance with law, and no entities or individuals may seize or impair germ plasm resources.

Collecting and cutting natural germ plasm resources that are under special protection of the State are prohibited. Where such collecting or cutting is required for scientific research or other special purposes, the matter shall be subject to approval by the administrative department for agriculture or for forestry under the State Council or under the people's government of a province, autonomous region or municipality directly under the Central Government.

Article 9 The State, surveys, collects, sorts out, verifies, registers, conserves, exchanges and utilizes germ plasm resources in a planned way, and regularly issues the catalog of available germ plasm resources. Specific measures in this respect shall be formulated by the administrative departments for agriculture and for forestry under the State Council.

Article 10

The administrative departments for agriculture and for forestry under the State Council shall establish a national bank of germ plasm resources, germ plasm resources conservation zones or germ plasm resources reserves. The administrative departments for agriculture and for forestry under the people's governments of provinces, autonomous regions or municipalities directly under the Central Government may, in light of their need, establish germ plasm resources banks, conservation zones or germ plasm resources reserves. The germ plasm resources at the germ plasm resources banks, conservation zones or reserves are the public resources, and shall be open and utilize according to law.

To occupy any germ plasm resources bank, conservation zone or germ plasm resources reserve must obtain the approval from the authority who established it.

Article 11 The State has the sovereignty over germ plasm resources. Any entities or individuals that wish to provide germ plasm resources to abroad, or carry out joint research on utilizing germ plasm resources with any

overseas enterprises or individuals shall apply to the administrative department for agriculture or for forestry under the people's governments of provinces, autonomous regions or municipalities directly under the Central Government, and provide the plan on sharing benefits with the state. The administrative department for agriculture or for forestry receiving the application shall review and report to the administrative department for agriculture or for forestry under the State Council for approval.

The introduction of germ plasm resources from abroad shall be handled in accordance with the relevant regulations laid down by the administrative department for agriculture or for forestry under the State Council.

Chapter III Variety Selection and Breeding, Registration and Record

Article 12 The State supports the public research institutes, colleges and universities to focus on conducting fundamental, advanced, applicable and technical researches on breeding of seeds, breeding of conventional crop seeds, selection and breeding of asexual propagation materials and other researches for the public welfare.

The State encourages the seed enterprises to make full use of the results from public welfare researches and cultivate quality varieties with independent intellectual property rights. Encourage seed enterprises, research institutes, colleges and universities to build technology research and development platforms, to establish a market-oriented, capital-linked, benefit-sharing and risk-sharing technology innovation system for the seed industry with the combination of production, academic and researching resources.

The State strengthens the scientific and technical innovation capacity building in seed industry, promotes technology results transformation, and safeguards the legal rights of scientific and technical staffs in seed industry.

Article 13 The invention patents and rights of new plant varieties relating to seed breeding developed with public finance shall belong to the corresponding project undertakers according to law, unless such inventions or varieties involve national security, national interests, or major social and public interests.

Transfer and licensing of the rights of new plant varieties, which are generated mainly from public finance, shall be transacted through a public trading platform, and unauthorized private trading is prohibited.

Article 14 Where the earnings of entities or individuals are reduced because the administrative departments for forestry establish testing stands, experimental stands, fine tree collection areas or gene banks for selection of improved varieties of forest trees, the administrative departments for forestry that give the approval shall make economic compensation to the entities or individuals in accordance with the relevant regulations of the State.

Article 15 The State shall implement a registration scheme for major crop and forest tree varieties. The major crop and forest tree varieties shall be subject to registration at the national or provincial level prior to their popularization and application. The major forest tree varieties determined by the administrative departments for agriculture and for forestry under the people's governments of provinces, autonomous regions and municipalities directly under the Central Government shall be subject to registration at the province level. Varieties applying for registration shall comply with the requirements of distinctness, uniformity and stability.

The registration measures for major crop and forest tree varieties shall be determined by the administrative departments for agriculture and for forestry under the State Council. The registration measures shall embody the principles of fairness, openness, scientificity and efficiency and shall solicit the opinions from seed breeders, users, producers, traders and representatives of relevant industries when developing or revising the registration measures.

Article 16 The administrative departments for agriculture and for forestry under the State Council and those under the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government shall respectively set up crop and forest tree varieties registration committees composed of professionals, which shall be in charge of the registration of major crop and forest tree varieties. The committee should establish the registration files, which should include information such as application documents, testing data of variety registration, seed samples, review opinion and review conclusions. The registration files must be traceable. Review opinion shall be included when varieties passing registration release related information in accordance with the law, and subject to public surveillance. Variety registration adopts avoidance system. Members and staffs of variety registration committee and related testing staffs shall be devoted to their duties, justice and incorruption. Offences by above-mentioned people reported by entities or individuals, or discovered by supervision and inspection shall be timely handled by the administrative departments for agriculture and for forestry at or above provincial level.

Article 17 For enterprise with combination of breeding, propagation and popularization, and satisfying conditions of the administrative departments for agriculture and forestry under the State Council, the enterprise may complete the experiment according to the registration standards in case the major crop or forest tree variety is independently developed by itself. Variety Registration Committee shall issue registration certificates to the varieties reaching registration standards. Seed enterprise is responsible for truth of the experiment data, and traceability must be guaranteed. Seed enterprise should also accept supervision from the administrative departments for agriculture and forestry at or above provincial level and the society.

Article 18 Where applicants have objections to the decision that their crop or forest tree varieties fail to pass the registration, they may apply for review to the original Variety Registration Committee, or to the National Variety Registration Committee.

Article 19 The crop and forest tree varieties that passed the registration at the national level shall be published by the administrative departments for agriculture and for forestry under the State Council, and such varieties may be popularized at the suitable ecological regions around the country. The crop and forest tree varieties that passed the registration at the province level shall be published by the people's government's administrative departments of provinces, autonomous regions and municipalities directly under the Central Government, and such varieties may be popularized in the suitable ecological regions in their corresponding administrative regions. Similar ecological regions in other provinces, autonomous regions and municipalities directly under the Central Government may introduce such varieties after record to the corresponding people's government administrative departments of agriculture and forestry of the provinces, autonomous regions and municipalities directly under the Central Government.

The introduction of any forest tree variety that is not naturally distributed in the region shall pass the test according to the national plant introduction standard.

Article 20 The administrative departments for agriculture and forestry of provinces, autonomous regions and municipalities directly under the Central Government shall improve regional coordination system of variety selection and registration to promote the breeding and popularization of good varieties.

Article 21 For the crop and tree varieties passing the registration, if discovered to be with major defects that cannot be overcome and cannot be continuously sold and popularized, the registration would be revoked after the original Variety Registration Committee review and confirm. The original department announcing the registration announces to terminate the sales and popularization.

Article 22 The State shall apply variety registration system to some of non-major crops. Varieties listed in

Non-major Crop Record Category shall be recorded prior to its popularization.

Crop scope subject to record shall be strictly controlled, and defined based on principles of biodiversity protection, assuring consumption safety and seed use safety. The record category shall be formulated and adjusted by the administrative departments for agriculture and forestry under the State Council.

For variety record application, applicants shall submit application documents and seed samples to the administrative departments for agriculture of provinces, autonomous regions and municipalities directly under the Central Government. The applicant will be responsible for the authenticity of the application documents and seed samples provided, ensure the traceability, and accept supervision and inspection. Application documents shall include the type, name, origin, characteristics, breeding process as well as testing results of distinctness, uniformity and stability of the variety.

The administrative departments for agriculture of provinces, autonomous regions and municipalities directly under the Central Government shall implement paper inspection of application documents submitted by the applicants within 20 working days after the record application is accepted. For the application documents satisfying the requirements, they should report to the administration departments for agriculture under the State Council for record.

For recorded varieties whose application documents or seed samples exist falsity, the administration departments for agriculture under the State Council shall revoke the variety record, input the applicant's violation information into society integrity profile, and publish to the public; for recorded varieties that caused losses to seed users or other seed operators, compensation responsibility shall be undertaken based on the law. For recorded varieties, if discovered to be with major defects that cannot be overcome, the administration departments for agriculture under the State Council shall revoke the variety record, and announce to the public to terminate the popularization.

The measures for non-major crop variety record shall be formulated by the administrative departments of agriculture under the State Council.

Article 23 The crop varieties that are subject to registration but fail to be registered shall not be advertised, popularized, or sold.

No forest tree varieties that are subject to registration but fail to pass the registration may be sold or popularized as improved varieties. However, where such varieties are really needed for production, the matter shall be subject to the confirmation of the forest tree Varieties Registration Committee.

Article 24 Foreigners, foreign enterprises and other foreign organizations that have no regular abode or business place from which to apply for the examination and approval of seeds should entrust the matter to Chinese institutions of scientific research, production and operation, and these institutions must have legal personality.

Where foreign organizations or foreigners that have no regular domiciles or business places in China apply for registration or record of their varieties in China, they shall ask Chinese seed enterprise with the status of legal person to serve as their agents.

Chapter IV New Varieties Protection

Article 25 The State shall establish a new plant varieties protection system, whereby the rights of new plant varieties shall be granted by the administrative department for agriculture or for forestry under the State Council to those varieties listed in the national protected plant varieties catalog, cultured or discovered in the wilderness and then selected and bred, characterized by novelty, uniqueness, uniformity and stability and appropriately named. The legal rights of the new plant variety owner shall be protected. Other terms shall be implemented in accordance with this Law, related laws and regulations such as the new plant variety content and belonging, granting conditions, application and acceptance, review and approval, duration, cessation and invalidation, etc.

The State encourages and supports seed scientific and technical innovation, new plant variety breeding and result transformation. Where the variety is granted new plant variety right and popularized, the breeder shall be entitled to obtain corresponding appropriate economic profits according to the laws.

Article 26 One new plant variety shall be granted only one set of variety rights. Where two or more than two applicants apply for the new variety right to an identical new plant variety, the new variety right shall be granted to the first applicant; where the applications are submitted simultaneously, the new variety right shall be granted to the person who bred the new plant variety at first.

The new plant variety that violates the laws, regulations, harms the public interests and the ecological environment will not be granted with the right of new plant variety.

Article 27 The denomination of the new plant variety which was granted with new plant variety right shall be distinguishable from every denomination which designates a known variety of the same botanical genus or varieties or of a closely related genus or varieties. After registration, the denomination shall be the generic designation of the new plant variety.

The following denominations shall not be used in the designation of varieties:

- (a) those consisting solely of figures;
- (b) those contrary to social morality;
- (c) those apt to cause misunderstanding as to the special characteristics and properties of new varieties of plants or the identities of breeders.

The same plant variety shall only use one name for new variety protection, variety registration, variety record, sales and popularities. The seeds for production, marketing and sales must be the consistent with the sample provided for the new variety protection, variety registration, and variety record.

Article 28 The entity which or the person who is granted with variety right has an exclusive right in their protected variety. No other entity or individual shall, without permission from the owner of the variety rights, produce, reproduce or sell the propagation material of the protected variety, or repeatedly use the propagation material of the protected variety for commercial purposes in the production of the propagation material of another variety. Except as otherwise provided in this Law, related laws and regulations.

Article 29 To use a granted variety in the following circumstances is not required to obtain permission from or pay royalty to the new variety right owner, but such use shall not infringe other rights of the new variety right owner according to this Law, related laws and regulations:

- (1) Use the granted new variety to breed seeds, or carry out other research activities;
- (2) Reproduce or use the propagation materials of the granted variety by farmers.

Article 30 Where the national interest or public interest so requires, the administrative departments for agriculture and forestry under the State Council may make a decision on a compulsory license to exploit new plant varieties, which shall be registered and publicly announced.

The entity which or the person who is granted a compulsory license for exploitation do not enjoy the exclusive right, and has no right to allow any other to exploit.

Chapter V Seed Production and Business Operation

Article 31 The seed production and business license for seed import and export shall be subject to examination by administrative departments of agriculture and forestry of the people's governments of the provinces, autonomous regions, municipalities directly under the State Council, and be issued by the administrative departments of agriculture and forestry under the State Council.

The production and operation licenses for enterprises engaged in businesses including major crop hybrid seeds

and parent seeds, tree seeds of improved variety, as well as the enterprises with integrated business in breeding, production and marketing, eligible for requirements of the administrative departments for agriculture and forestry under the State Council shall be subject to examination by the people's government administrative departments of agriculture and forestry at county level, and be issued by the administrative departments of agriculture and forestry of the people's governments of the provinces, autonomous regions, municipalities directly under the State Council.

The license of production and business of any seeds other than those listed in the two preceding paragraphs shall be issued after examination by administrative department for agriculture or for forestry under the people's government at or above the county level where the seed producer or trader is located.

The seed production and business license is not required for the persons that only produce non-major crop seeds or non-major forest tree seeds.

Article 32 Entities or individuals that apply for the seed production and business license shall have facilities and equipment , as well as professionals commensurate with seed production and business, and satisfy other conditions provided for in the laws and regulations and by the administrative departments for agriculture and for forestry under the State Council.

For those who produce seeds shall also have the isolating and breeding facilities for propagating seeds, and have seed production sites free of quarantine pests or nurse-crop stands designated as such by the administrative department for forestry under the people's government at or above the county level.

To apply for seed production and business license for variety that was granted the new plant variety rights, written consent shall be obtained from the owner of the new plant variety.

Article 33 The seed production and business license shall indicate the name and address of producer or trader, name of legal representative, the variety and location of produced seed, scope of seed production and business, term of license and covered territory, etc.

In case of changes to the previous matters, the application for change registration shall be submitted to the original license issuing organ within thirty (30) days after the change.

Unless otherwise prescribed, seed production and business without a seed production and business license, and violation of the provisions stated in the seed production and trading license are prohibited. Forgery, alteration, transfer and lease of the seed production and trading license are prohibited.

Article 34 Seeds shall be produced in compliance with technical regulations for seed production, inspection and quarantine.

Article 35 Collection of seeds within forest seed production bases shall be arranged by the operators of the seed production bases, and the seeds shall be collected in conformity with the relevant national standards. Plundering of unripe seeds and doing damage to mother trees are prohibited, and no seeds may be collected in inferior forest stands or from inferior mother trees.

Article 36 A seed trader shall establish and keep the production and business files indicating the seed source, origin, quantity, quality, sales destination, sales date, and responsible personnel, and so on to ensure traceability. The items listed in seed production and business file, the period for keeping the production and business files and seed samples shall be specified by the administrative departments for agriculture and for

forestry under the State Council.

Article 37 The leftover conventional seeds self-propagated and used by farmers can be sold and exchanged on the market without a seed production and business license.

Article 38 The territory covered by a seed production and business license shall be determined by the authority that issues the license within its jurisdiction. Where a seed producer or trader establishes any branch within the territory covered by the seed trading license, or trades specially in packed seeds that are not to be divided into smaller packages, or produces/sells seeds on the basis of written commission as the agent of a seed producer/trader that has the seed production and business license, are not required to be accompanied with a seed production and business license, but the producer or trader shall file with the local administrative department for agriculture or forestry.

The valid area of the production and business licenses can be the whole country for the seed enterprises with integrated business in breeding, production and marketing, and eligible for the requirements of the administrative departments for agriculture and forestry under the State Council.

Article 39 Without the approval of the administrative departments for forestry under the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government, no person may purchase valuable tree seeds, or forest seeds that are restricted from purchase by the people's government of same level.

Article 40 Seeds for sale shall be processed, graded and packed, except those that cannot be processed or packed.

Seeds in large package or imported may be divided and repacked; in such cases, the repackaging entities shall be clearly stated and they shall be responsible for the quality of the seeds.

Article 41 The seeds for sale shall be in conformity to the national or industrial standards, and attached the specific label and instructions, on which the content indicated shall be consistent with the seeds to be sold. The seed producers and traders shall be responsible for the accuracy of the information indicated in the seed labels and instructions, and for the quality of their seeds.

The label shall clearly indicate the seed category, variety name, serial number of variety registration or record, suitable planting areas and seasons for the variety, producer/trader and registered venue, quality index, serial number of quarantine certificate, serial number of the seed production and business license, and information code, as well as other matter stipulated by the administrative departments of agriculture and forestry under the State Council.

For the sale of seeds with protected variety, the serial number of variety right shall be attached.

For the sale of imported seeds, the serial number of import approval and a label in Chinese shall be attached.

For the sale of the seeds of transgenic plant varieties, it must be marked with visible words, and the safety control measures for the use thereof shall be indicated.

Seed producers/traders shall comply with the relevant laws and regulations, be honest and faithful, provide seed users with the information of seed producer, main traits of seeds, primary cultivation measures, instructions for use of the seeds, risk warning and relevant advisory services. Propaganda being false or

making misleading is now allowed.

No entity or individual may illegally interfere in the seed producers' or traders' exercise of their right to independent production or operation.

Article 42 The contents of seed advertisements shall conform to the provisions of this Law and the relevant advertisement laws and regulations, and the descriptions of main traits shall be consistent with those stated in the registration or record announcement.

Article 43 The seeds being transported or posted shall be subject to quarantine in accordance with related laws and regulations.

Article 44 Seed users shall have the right to purchase the seeds of their own free will. No entities or individuals may illegally interfere in such purchases.

Article 45 The State provides support to the afforestation which popularizes and uses improved forest tree varieties. For the afforestation projects invested by the State or invested mainly by the State and for afforestation by state-owned forestry entities, improved forest tree varieties shall be used in accordance with the plans formulated by the administrative departments for forestry.

Article 46 Where seed users suffer losses due to seed quality problems, or inauthentic information on seed label and instructions, the seed user could claim compensation from the traders selling the seeds, or claim compensation from seed producers or other traders. The amount of such compensation shall include purchase price of the seeds, losses of anticipated profits, and other relevant losses. Where the liability rests on seed producers or other traders, the trader selling the seeds that have paid the compensation shall have the right to recover the paid compensation from other producers or traders. Where the liability rests on the trader selling the seeds, the seed producers or other traders trader who have paid the compensation shall have the right to recover the paid compensation from the trader selling the seeds.

Chapter VI the Supervision and Administration on Seed

Article 47 The administrative departments of agriculture and forestry shall strengthen supervision and inspection on seed quality. The administrative measures, industrial standards and test methods shall be formulated by the administrative departments for agriculture and for forestry under the State Council.

The administrative departments of agriculture and forestry could detect the seed varieties produced and traded using rapid detecting method prescribed by the state, and the detection result can serve as evidence for administrative punishment. In case that the people being detected dissent with the result, s/he could apply for redetection, which could not use the same detection method. Where the parties suffer loss due to the wrong detection result, compensation shall be made in accordance with the laws.

Article 48 The administrative departments for agriculture and for forestry may entrust seed quality inspection institutions with the inspection of seed quality.

The institutions for inspection of seed quality shall have the necessary testing facilities and capabilities, and shall pass the examination and assessment by the competent authorities under the people's government at or above the province level. Seed quality inspection institutions shall be manned with seed inspectors. Seed inspectors shall graduate from the secondary vocational or technical schools related to the profession or have received such education at a higher level, and possess relevant seed inspecting capacity and level.

Article 49 Production and trading in fake and inferior seeds are prohibited. The administrative departments for agriculture and forestry and other related departments combat the illegal activities of producing and trading fake and inferior seeds in accordance with the laws, protect the legal rights and benefits of the farmers, and safeguard the fair and competitive market order. The following are fake seeds:

- (1) non-seeds passed off as seeds, and the seeds of one variety passed off as the seeds of another variety; and
- (2) the family, variety of seeds don't conform to what is stated in the label.

The following are inferior seeds:

- (1) the quality is lower than the standards set by the State;
- (2) the quality is lower than the index indicated in the label;
- (3) carrying the harmful organisms under quarantine specified by the State.

Article 50 The administrative departments for agriculture and for forestry are the seed administrative enforcement organ. When seed law enforcement officials perform their duties in accordance with law, they shall show their administrative law-enforcement papers. The seed administrative enforcement organ shall have the power to take the following measures in order to enforce seed supervision and inspection duties according to the law:

- (1) Access to the production and operation sites for inspection;
- (2) Sampling, analysis and testing of seeds;
- (3) Check and copy relevant contracts, vouchers, books, production and trading files and other materials;
- (4) Seize and detain the seeds which can be proved to be produced or traded illegally with evidence, as well as the premises, tools, equipment and vehicles used for illegal production and trading of seeds.
- (5) Seal up the places for illegal seed production and business activities.

When the administrative departments of agriculture and forestry exercise the functions as required by this Law, the parties concerned shall give assistance and cooperation, and not refuse or obstruct.

The comprehensive law enforcement organ under the administrative departments for agriculture and for forestry or its entrusted seed administrative organ could conduct legal enforcement related to seed.

Article 51 Seed producers and traders may lawfully and voluntarily form the seed industry associations to strengthen self-management for the industry, and safeguard the lawful rights and interests of members. The associations provide the members and industry development thereof with such services as information exchanges, technical training, credit building, marketing, and consulting.

Article 52 Seed producers and traders may voluntarily apply to eligible certificate agencies for seed quality certification. The qualified ones may use the certification marks on packaging.

Article 53 Where, due to force majeure, it is necessary to use the crop seeds that are lower than the standards of seeds for use set by the State or by the local authorities, the matter shall be subject to approval by the local people's government at or above the county level where the seeds are to be used; where forest tree seeds are concerned, the matter shall be subject to approval by the people's government of the province, autonomous region or municipality directly under the Central Government where the seeds are to be used.

Article 54 Entities or individuals engaged in variety selection, seed production, trading or management shall comply with the laws and administrative regulations on plant quarantine in order to prevent dangerous plant diseases, insect pests, weeds and other harmful organisms from spreading.

No entities or individuals may conduct inoculation experiments against quarantine harmful organisms at seed production bases.

Article 55 The administrative departments of agriculture and forestry at or above the province level shall publish such information as variety registration, variety record, new plant variety protection, seed production and trade license, supervision and management on the unified government information releasing platform. The administrative departments under the State Council shall establish standardized sample bank of plant varieties to provide basis to seed supervision and management.

Article 56 The administrative department of agriculture and forestry its staffs are not allowed to take part in or undertake activities related to seed production and business.

Chapter VII Seed Imports and Exports, and Foreign Cooperation

Article 57 Any seeds imported or exported shall be subject to inspection and quarantine for the purpose of preventing dangerous plant diseases, insect pests, weeds and other harmful organisms from spreading into or out of China, and inspection and quarantine shall be carried out in accordance with the provisions of the laws, rules and regulations on entry or exit plant inspection and quarantine.

Article 58 Those engaged in seed imports or exports shall in addition to the seed production and business license, obtain the seed import and export permit in accordance with related laws and regulations of the state. The State Council shall set the limits of authority for examining and approving the introduction of the seeds of crops and forest trees from abroad, and formulate measures for validation of the import and export of such seeds and administrative measures for the introduction of transgenic plant varieties.

Article 59 The quality of the imported seeds shall meet the national or industrial standards. Where there are no such standards, the standards stipulated in a contract may be applied.

Article 60 Where seeds are imported for producing seeds for other countries, such imports may be exempt from the restriction provided in Paragraph 1, Article 58 of this Law, provided that a contract is signed for producing seeds for foreign countries. The imported seeds are only to be used for the production of hybrid seeds, and the products are not allowed to be sold at domestic markets. The crop seeds or forest tree seeds introduced from abroad for experiment shall be planted in isolation, and no harvests therefrom may be sold as commodity seeds.

Article 61 The import and export of fake and inferior seeds and of the seeds the import and export of which are prohibited by State regulations are prohibited.

Article 62 The State shall establish the safety examination system for the seed industry. Where the foreign entities or individuals invest or acquire the domestic seed enterprises, or conduct technical cooperation with the domestic scientific research institutions and seed enterprises, the approval and management for the engagement of variety development, seed production and business shall be implemented by the relevant departments in accordance with the relevant laws and administrative regulations.

Chapter VIII Supportive Measures

Article 63 The state increases support on the development of seed industry. Variety selection, production, demonstration, germplasm protection, seed reservations, and major seed producing counties shall be given financial supports.

The state encourages popularizing the application of efficient and safe seed producing and collecting

machineries, and incorporates advanced and practical seed producing and collecting machines into agricultural machinery subsidized scope.

Actively channel the social funds into the seed industry.

Article 64 The State shall strengthen construction of public infrastructures for the seed industry. The arable lands in the advantageous seed breeding bases shall be protected perpetually as the basic farmland preservation area. The advantageous seed breeding bases shall be determined by the administrative departments for agriculture under the State Council after consultation with the local people's governments of provinces, autonomous regions and municipalities directly under the Central Government.

Article 65 Supports shall be given to seed enterprises engaging in variety selection, breeding and production of crops and forest trees according to the relevant regulations.

Article 66 The State encourages and guides financial institutes to provide credit support to production, operation, purchasing and storage of seeds.

Article 67 The State supports insurers to engage in the business of seed production insurance. The people's governments at or above the province level shall support the development of seed production insurance through such measures as subsidy for insurance premiums.

Article 68 Research institutions, colleges and universities are encouraged to conduct cooperation regarding breeding talents with seed enterprises. Scientific research personnel in research institutions, colleges and universities are encouraged to conduct commercial seed breeding work in enterprises. Scientific research talents are encouraged to make innovation and start business.

Article 69 The administrative department for agriculture or forestry under the State Council, the people's government of the province, autonomous region or municipality directly under the Central Governments where the host place of non-local breeding practices is located, shall improve the coordination and management of non-local breeding practices, and the transport departments shall give priority to the transport of seeds.

Chapter IX Legal Liabilities

Article 70 Where the administrative departments for agriculture or forestry failed to make administrative license decision according to the laws, failed to investigate and punish illegal activities found or reported, or other activities failed to implement duties according to this Law, the people's government at the same level or above shall order to correct, and give sanctions to responsible executives in charge and other staffs with direct responsibility.

If anyone violates provisions of article 56 hereof, where staffs of the administrative departments of agriculture and forestry engaged in seed production and business, sanctions shall be applied based on the laws.

Article 71 If anyone violates provisions of article 16 hereof, where the members and staffs of Variety Registration Committee fails to implement their duties according to the laws, resorts to deceit, plays favoritism and commits irregularities, sanctions shall be applied based on the laws; they are not allowed to engage in variety registration work within in five years counting from the date when the sanction is applied.

Article 72 The variety testing, experimenting and seed quality inspection institutions which issue false test, experiment and inspection data or certificates shall be ordered to correct by the administrative department for

agriculture or forestry at or above county level. The entity shall be imposed a fine between RMB50,000 and RMB100,000; the executives with direct responsibility and other staffs with direct responsibility shall be imposed a fine between RMB10,000 and RMB50,000; in case illegal gains exist, the illegal gains shall be confiscated; in case losses caused to seed users or other seed producers and traders, joint liability shall be undertaken with the seed producer and trader; in case of gross violation, the qualification for seed quality inspection will be abolished by the administrative department for agriculture or forestry at or above provincial level.

Article 73 If anyone violates provisions of article 28 hereof to conduct any behavior infringing upon the new plant variety right, the parties shall negotiate settlement; when negotiation is reluctant or unsuccessful, the owner or stakeholder of the variety right may apply for settlement to the administrative departments of agriculture and forestry under the people's government at or above county level. The party concerned may also directly file a lawsuit to the people's court.

The administrative departments of agriculture and forestry under the people's government at or above county level may, subject to voluntariness of the parties, conduct mediation on damage caused by the infringement. Any agreement reached through the mediation shall be performed by the parties. If the parties fail to perform the agreement or no agreement is reached through the mediation, the owner or stakeholder of the new plant variety right may file a lawsuit to the people's court according to law.

The indemnity of infringing new plant variety right shall be determined in accordance with the right holder's actual losses resulted from infringement; in case actual losses are difficult to determine, the indemnity can be determined in accordance with the infringer's benefits gained from infringement; in case both right holder's losses and infringer's benefits are difficult to determine, the indemnity can be appropriately determined with reference to the times of the new plant variety right license fee. The indemnity shall include right holder's reasonable expenses to cease infringement. In case new plant variety right is seriously infringed, the indemnity can be between one times and three times of the value determined by above-mentioned method. Where the right holder's losses, infringer's benefits, and new plant variety right license fee are all difficult to determine, the people's court can determine an indemnity under RMB 3 million in accordance with such factors as the type of new plant variety right, infringement nature and circumstances.

When settling a case regarding infringement of the new plant variety right, the administrative departments of agriculture and forestry under the people's government at or above county level may order the infringer to cease the infringing act and confiscate the illegal gains and the seeds to safeguard public benefits. In case the amount is less than RMB 50,000, a fine between RMB 10,000 and RMB 250,000 will be imposed; if such amount is more than RMB 50,000, a fine of 5 times to 10 times as that of the amount will be imposed.

Article 74 If there's any dispute between the parties regarding the application right of the new plant variety and the ownership of the new plant variety right, either party may file a lawsuit to the people's court.

Article 75 If any one violates the provisions of article 49 hereof to produce and trade false seeds, the administrative departments of agriculture and forestry under the people's government at or above county level shall order it to cease the production and trade, confiscate the illegal gains and the seed, and the seed production and trade license will be revoked. If the amount gained from the illegal production and trade is less than RMB 10,000, a fine between RMB 10,000 and RMB 100,000 will be imposed; if such amount is more than RMB 10,000, a fine of 10 times to 20 times as that of the amount will be imposed.

Where a fixed-term imprisonment or above penalty is sentenced due to crime from false seed production and trade, the legal representative and executive with direct responsibility of the seed enterprise or other entity are not allowed to hold the position of legal representative or high level manager in seed enterprises within five years counting from the date when the penalty is completed.

Article 76 If anyone violates provisions of article 49 hereof to produce and trade low-quality seeds, the

administrative departments of agriculture and forestry under the people's government at or above county level shall order it to cease the production and trade, confiscate the illegal gains and the seeds. If the amount gained from the illegal production and trade is less than RMB 10,000, a fine between RMB 5,000 and RMB 50,000 will be imposed; if such amount is more than RMB 10,000, a fine of 5 times to 10 times as that of the amount will be imposed; in case of gross violation, the seed production and trade license will be revoked.

Where a fixed-term imprisonment or above penalty is sentenced due to crime from low-quality seed production and trade, the legal representative and executive with direct responsibility of the seed enterprise or other entity are not allowed to hold the position of legal representative or high level manager in seed enterprises within five years counting from the date when the penalty is completed.

Article 77 If anyone violates provisions of article 32 and article 33 hereof to conduct any of the following behaviors, the administrative departments of agriculture and forestry under the people's government at or above county level shall order it to correct such behavior and confiscate the illegal gains and the seeds. If the amount gained from the illegal production and trade is less than RMB 10,000, a fine between RMB 3,000 and RMB 30,000 will be imposed; if such amount is more than RMB 10,000, a fine of 3 times to 5 times as that of the amount will be imposed; the seed production and trade license may be revoked.

(I) Producing and selling seeds without the seed production and trade license;

(II) Obtaining the seed production and trade license through fraud, bribery or other improper means;

(III) Failing to produce and sell seeds according to stipulations of the seed production and trade license;

(IV) Forging, altering, transferring or lending the seed production and operation license.

For the entity with the seed production and trade license revoked, its legal representative and the executive with direct responsibility are not allowed to hold the position of legal representative or high level manager in seed enterprises within five years counting from the date when the penalty decision is made.

Article 78 If anyone violates provisions of article 21, article 22 and article 23 hereof to conduct any of the following behaviors, the administrative departments of agriculture and forestry under the people's government at or above county level shall order it to cease illegal behavior, confiscate the illegal gains and the seeds, and impose a fine between RMB 20,000 and RMB 200,000.

(I) Popularize or sell crop varieties that should be subject to registration but actually not so;

(II) Popularize or sell improved forest tree variety that should be subject to registration but actually not so;

(III) Popularize or sell crop varieties or improved varieties of forest tree that should be ceased to popularization and sales;

(IV) Popularize crop varieties that should be subject to record but actually not so; or sell in the name of the recorded variety;

(V) Popularize crop varieties whose record have been revoked, or sell in the name of recorded variety.

If anyone violates provisions of article 23 and article 42 hereof to advertise crop varieties that should be subject to registration or record but actually not so, or the description of major characters of the variety in the advertisement is not consistent with registration or record announcement, legal liability shall be imposed according to related rules of Advertising Law of the People's Republic of China.

Article 79 If anyone violates provisions of article 58, article 60 and article 61 hereof to conduct any of the following behaviors, the administrative departments of agriculture and forestry under the people's government at or above county level shall order it to correct such behavior and confiscate the illegal gains and the seeds. If the amount gained from the illegal production and trade is less than RMB 10,000, a fine between RMB 3,000 and RMB 30,000 will be imposed; if such amount is more than RMB 10,000, a fine of 3 times to 5 times as that of the amount will be imposed; in case of gross violation, the seed production and trade license will be revoked:

(I) Importing and exporting seeds without permit;

(II) Selling seeds produced for foreign countries in China;

(III) Selling the harvest of the crop or forest seeds introduced into China from foreign countries for introduction test in China; and
(IV) Importing and exporting false or low quality seeds or seeds that are not allowed for import and export by the state.

Article 80 If anyone violates provisions of article 36, article 38, article 40 and article 41 hereof to conduct any of the following behaviors, the administrative departments of agriculture and forestry under the people's government at or above county level shall order it to correct such behavior and shall impose a fine between RMB 2,000 and RMB 20,000:

(I) Selling seeds which should be packed but actually not packed;
(II) Selling seeds without instructions or with nonconforming label contents;
(III) Altering labels;
(IV) Failing to establish and maintain seed production and trade files as required;
(V) Failing to file as required where a seed producer or trader establishes any branch out of territory, or trades specially in packed seeds that are not to be divided into smaller packages, or produces/sells seeds on the basis of written commission as the agent.

Article 81 If anyone violates provisions of article 8 hereof to occupy or damage germplasm, or collect or cut the natural germplasm resources under state protection, the administrative departments of agriculture and forestry under the people's government at or above county level shall order it to cease illegal behaviors, confiscate the illegal gains and the seeds, and shall impose a fine between RMB 5,000 and RMB 50,000; and such person shall be liable for any losses caused thereby according to law:

Article 82 If anyone violates provisions of article 11 hereof to provide germplasm resources to foreign countries or introduce germplasm resources from foreign countries; conduct cooperative research using germplasm resources with foreign entities or individuals, the administrative departments of agriculture and forestry under the State Council or under the people's government of provinces, autonomous regions and municipalities directly under the Central Government shall confiscate the illegal gains and germplasm resources and shall impose a fine between RMB 20,000 and RMB200,000:

If anyone takes or transports germplasm resources out of China without the approval of the administrative department of agriculture and forestry, the custom should detain the germplasm resources and transfer them to the administrative departments of agriculture and forestry under people's government of provinces, autonomous regions and municipalities directly under the Central Government.

Article 83 If anyone violates provisions of article 35 hereof to snatch the immature seeds, damage the parent trees, or to collect seeds from the low quality parent trees or forest, the administrative departments of agriculture and forestry under people's government at or above county level shall order it to stop the seed collection, confiscate the seeds collected, and impose a fine of 2 times to 5 times as the amount of the forest seeds collected.

Article 84 If anyone violates provisions of article 39 hereof to purchase valuable tree seeds, or forest seeds that are restricted from purchase, the administrative departments of agriculture and forestry under people's government at or above county level shall confiscate the seeds purchased and impose a fine of 2 time to 5 times as the amount of the forest seeds purchased.

Article 85 If any seed enterprise violates provisions of article 17 hereof to conduct any counterfeiting, the administrative departments of agriculture and forestry under people's government at or above provincial level shall impose a fine between RMB one million and RMB five million; the seed enterprise is not allowed to apply for variety registration according to the provisions of article 17 of this law; where the seed users or other seed producers and traders suffer losses, compensation shall be made in accordance with the laws.

Article 86 If anyone violates provisions of article 45 hereof to fail to use the improved forest varieties according to the plan developed by the administrative department of forestry, the administrative department of forestry of the people's government at the same level shall order it to correct such violation within a time limit; if such violation is not corrected after expiration of the specified time limit, a fine between RMB3000 and RMB30,000 shall be imposed.

Article 87 If anyone violates provisions of article 54 hereof to make quarantine pest inoculation experiment in the seed production base, the administrative departments of agriculture and forestry under people's government at or above county level shall order it to cease the experiment and impose a fine between RMB 5,000 and RMB 50,000.

Article 88 If anyone violates provisions of article 50 hereof to refuse or obstruct supervision and inspection conducted by the administrative departments of agriculture and forestry according to this law, such departments shall impose a fine between RMB2000 and RMB50,000, and order it to stop production and business for rectification; where acts violate the public security administration, the public security agencies shall impose public security administration punishment according to the law.

Article 89 If anyone violates provisions of article 13 hereof to privately trade breeding result, and results in economic losses to the entity, s/he should assume compensation liabilities.

Article 90 If anyone violates provisions of article 44 hereof to force seed users to purchase or use seeds against their willing, thus causing losses to such users, shall indemnify such users against such losses.

Article 91 If anyone violates provisions hereof and such violation constitutes a crime, it shall be investigated for criminal liability according to law.

Chapter X Supplementary Provisions

Article 92 The following terms used in this Law shall mean:

(1) Germplasm resources refer to the basic materials for breeding new varieties, including the propagating materials for the cultigens and wild varieties of various plants as well as the hereditary materials of the various plants artificially created with the above-mentioned propagating materials.

(2) Varieties mean the flora artificially bred or discovered and improved, and their morphological characteristics are in conformity with their biological characteristics and their hereditary properties are relatively stable.

(3) The major crops refer to rice, wheat, maize, cotton and soybean.

(4) The major forest trees are determined and announced by the administrative department for forestry under the State Council; the administrative department for forestry under the people's government of a province, autonomous region or municipality directly under the Central Government may determine no more than eight other trees in addition to the ones determined by the said department under the State Council.

(5) Improved varieties of forest trees refer to the verified tree seeds which, in a given area, are obviously better than those of the propagating and planting materials mainly planted at the time in terms of output, adaptability and resistance.

(6) Novelty in respect of a variety, in case of applying for a New Variety Title, refers to the circumstances under which the seeds of such variety has been offered for sale or popularized, by the applicant or through its permit, for less than a year within China till the date when the application is submitted; if out of China, less than six years for woody or vine plant; less than four years for other plants.

In respect of any plant variety which has been added to the List of Protected Plant Varieties as a genera or varieties, if the application for New Variety Right has been submitted within one year of the List being

published, and the seeds of such variety has been offered for sale or popularized less than four years, then the novelty shall be deemed still available.

In addition to the losses of novelty in sales and promotion, following circumstances shall be deemed to have lost their novelty:

1. The variety is actually spread as confirmed by the administrative departments of agriculture and forestry of the provinces, autonomous regions and municipalities directly under the Central Government based on the sown area.

2. The variety has not applied for new plant variety right after it has been registered or recorded for more than two years.

(7) Distinctiveness means that the new plant variety shall have one and above traits which are clearly distinguishable from varieties of plants known.

(8) Uniformity means that the relevant special characteristics or properties of a new plant variety, with the exception of foreseeable variation, remain consistent within the flora and among the individuals.

(9) Stability means that the main traits of a new plant variety, after repeated propagation or at the end of a particular cycle of reproduction, remain unchanged.

(10) Known varieties shall mean the plant varieties that have been accepted, or passed the variety registration, variety record, new variety protection, or have been sold and popularized.

(11) Label refers to the specific patterns and text descriptions which are printed, pasted, fixed or attached to the seed or its packaging surface.

Article 93 The germplasm management and selection, production and trade, and management of grass seed, tobacco seed, herbs seed and edible fungus strains shall be carried out in accordance with this law.

Article 94 The Law will be enforced from January 1, 2016.

END TRANSLATION

Appendix

Seed Law of People's Republic of China (2000)

Chapter I General Provisions

Chapter II Protection of Germ Plasm Resources

Chapter III Selection and Reigistration of Varieties

Chapter IV Production of seeds

Chapter V Trading in Seeds

Chapter VI Use of Seeds

Chapter VII Seed Quality

Chapter VIII Import and Export of Seeds and Cooperation with Foreign Countries

Chapter IX Administrative Management of Seeds

Chapter X Legal Responsibilities

Chapter XI Supplementary Provisions

Chapter I General Provisions

Article 1 This Law is enacted for the purpose of protecting and making rational use of germ plasm resources, standardizing the variety selection and the production of, trading in and use of seeds, safeguarding the lawful rights and interests of variety breeders and seed producers, traders in seeds and seed users, operators and users, improving the quality of seeds, pushing forward the industrial management of seeds and promoting the development of crop cultivation and the forestry industry.

Article 2 This law shall apply to the activities such as variety selection and production of, trading in, use and management of seeds engaged in within the territory of the People's Republic of China.

For purposes of this Law, seeds mean the materials for planting or propagating crops and forest trees, including grains, fruits, roots, stems, seedlings, sprouts and leaves.

Article 3 The administrative departments for agriculture and for forestry under the State Council shall be respectively in charge of the work related to crop seeds and forest tree seeds throughout the country. The administrative departments for agriculture and for forestry under the local people's governments at or above the county level shall be in charge of the work related to crop seeds and forest tree seeds within their respective administrative regions.

Article 4 The State supports the efforts to protect germ plasm Resources and to select, produce, replace and popularize improved varieties, Encourages the combination of variety selection with seed production and trading in seeds, and rewards the units and individuals that achieve outstanding successes in the protection of germ plasm resources and in the selection and popularization of improved varieties.

Article 5 People's governments at or above the county level shall make plans for seed development in accordance with the guidelines of developing agriculture with the help of science and education and in light of the need for the development of crop cultivation and the forestry industry, and ensure implementation of the plans by taking measures in the fields of finance, loans and taxation in accordance with the relevant regulations of the state.

Article 6 The State Council and the people's governments of provinces, autonomous regions, and municipalities directly under the central Government shall establish special funds to support the selection and popularization of improved varieties. Specific measures in this regard shall be formulated by the State Council.

Article 7 The State establish a system for storing seeds, mainly to meet the need of production in times of calamities and to ensure the security of agricultural production. The seeds kept in reserve shall be regularly inspected and replaced with new seeds, Specific measures for seed storage shall be formulated by the State Council.

Chapter II Protection of Germ plasm Resources

Article 8 The State Protects germ plasm resources in accordance With law, and no units or individuals may seize or impair germ plasm resources.

Collecting and cutting natural germ plasm resources that are under special protection of the State are prohibited. Where such collecting or cutting is required for scientific research or other special purposes, the matter shall be subject to approval by the administrative department for agriculture or for forestry under the State Council or under the People's government of a province, autonomous region or municipality directly under the Central Government.

Article 9 The State, in a planned way, collects, sorts out, verifies, registers, stores, exchanges and utilizes germ plasm resources, and regularly issues the catalogue of available germ plasm resources. Specific measures in this respect shall be formulated by the administrative departments for agriculture and for forestry under the State Council.

The administrative departments for agriculture and for forestry under the State Council shall establish a national bank of germ plasm resources, and the administrative departments for agriculture and for forestry under the people's governments of provinces, autonomous regions or municipalities directly under the Central Government may, in light of their need, establish germ plasm resources banks and protection zones or germ

plasm resources reserves.

Article 10 The State has the sovereign right over germ plasm resources. Any units or individuals that wish to provide germ plasm resources to people outside China shall apply to the administrative department for agriculture or for forestry under the State Council for approval; Any introduction of germ plasm resources from abroad shall be handled in accordance with the relevant regulations laid down by the administrative department for agriculture or for forestry under the State Council.

Chapter III Selection and Registration of Varieties

Article 11 The administrative departments for agriculture, forestry, science and technology, education, etc. under the State Council and the People's governments of provinces, autonomous regions, and municipalities directly under the Central Government shall make arrangements for relevant units to carry out research on the theory, technology and methods for variety selection.

The State encourages and supports units and individuals in their efforts to select and develop improved varieties.

Article 12 The State applies the system of protecting new plant varieties, whereby the plant varieties cultivated by artificial means or developed from wild plants discovered, which possess the characteristics of novelty, uniqueness, conformity and stability, shall be given the title of new plant varieties and the lawful rights and interests of the owners of such plant varieties shall be protected. The specific measures therefore shall be applied in accordance with the relevant regulations of the State. Where the varieties selected and bred are popularized, the breeders shall be given appropriate economic benefits in accordance with law.

Article 13 Where the earnings of units or individuals are reduced because the administrative departments for forestry establish testing stands, experimental stands, fine tree collection areas or gene banks for selection of improved varieties of forest trees, the administrative departments for forestry that give the approval shall make economic compensation to the units or individuals in accordance with the relevant regulations of the State.

Article 14 The selection, experiment, verification and popularization of transgenic plant varieties shall be subject to security assessment, and strict security control measures shall be taken. Specific measures in this respect shall be formulated by the State Council.

Article 15 Main crop and forest tree varieties shall be subject to registration at the national or provincial level prior to their popularization. Applicants may directly apply for registration at the provincial or national level. Main crop and forest tree varieties determined by the administrative departments for agriculture and for forestry under the people's governments of provinces, autonomous regions and municipalities directly under the Central Government shall be subject to registration at the provincial level.

The measures for verifying main crop and forest tree varieties shall embody the principles of fairness, openness, scientificity and efficiency and shall be formulated by the administrative departments for agriculture and for forestry under the State Council.

The administrative departments for agriculture and for forestry under the State Council and those under the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government shall respectively set up crop and forest tree varieties registration committees composed of professionals, which shall be in charge of the registration of main crop and forest tree varieties.

With respect to regions with a diversified ecology, the administrative departments for agriculture and for forestry under the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government may entrust cities divided into districts and autonomous prefectures with the registration of the main crop and forest tree varieties, which are suitable for popularization in regions with special ecology.

Article 16 The main crop varieties and improved varieties of forest trees verified at the national level shall be announced by the administrative departments for agriculture and for forestry under the State Council, and they may be popularized in regions with suitable ecology throughout the country. The main crop varieties and improved varieties of forest trees verified at the provincial level shall be announced by the administrative departments for agriculture and for forestry under the people's governments of provinces, autonomous regions,

and municipalities directly under the Central Government, and they may be popularized in regions with suitable ecology in their own administrative areas; with respect to regions of neighboring provinces, autonomous regions or municipalities directly under the Central Government that have the same suitable ecology, the said varieties may be introduced upon the approval of the administrative departments for agriculture and for forestry under the said people's governments concerned.

Article 17 No crop varieties that are subject to registration but fail to pass the registration may be announced, traded in or popularized.

No forest tree varieties that are subject to registration but fail to pass the registration may be traded in or popularized as improved varieties. However, where such varieties are really needed for production, the matter shall be subject to examination by the administrative department for forestry under the people's government at or above the provincial level and be submitted to the forest tree varieties registration committee at the same level for confirmation.

Article 18 Where applicants have objections to the decision that their crop or forest tree varieties fail to pass the registration, they may apply for review to the original registration committee or to the committee at the next higher level.

Article 19 Where foreigners, foreign enterprises or other foreign organizations that have to regular domiciles or business places in China apply for registration of their varieties in China, they shall ask Chinese institutes for scientific research in seeds or for production of or trading in seeds with the status of legal person to serve as their agents.

Chapter IV Production of Seeds

Article 20 A license system for the production of commodity seeds of main crops and forest trees shall be applied.

The licenses for producing hybrid seeds and parent seeds of the main crops, original seeds of conventional varieties and seeds of improved varieties of main forest trees shall be subject to approval after examination by the administrative department for agriculture or for forestry under the people's government at the county level where such seeds are produced, and shall be issued after examination by the administrative department of agriculture or for forestry under the people's government of a province, autonomous region or municipality directly under the Central Government. The licenses for producing other seeds shall be issued after examination by the administrative department for agriculture or forestry under the local people's government at or above the county level where the seeds are produced.

Article 21 Units or individuals that apply for seed production licenses shall meet the following requirements:

- (1) having the isolating and breeding facilities for propagating seeds;
- (2) having seed production sites free of epidemic diseases and insect pests or nurse-crop stands designated as such by the administrative department for forestry under the people's government at or above the county level;
- (3) having funds and facilities for production and inspection commensurate with seed production;
- (4) having the necessary professionals specialized in seed production and inspection; and
- (5) meeting the other requirements laid down in laws, and rules and regulations.

Anyone who applies for a license for producing seeds of a plant that has the title of a new plant variety shall be subject to written consent by the owner of such variety.

Article 22 In a seed production license the varieties of the seeds, the sites for producing such seeds, the effective period and other matters shall be stated clearly.

Forging, altering, trading in and leasing seed production licenses are prohibited. No unit or individual without such a license may produce seeds, and no unit or individual with such a license may do so at variance with the provisions stated in the license.

Article 23 Commodity seeds shall be produced in compliance with technical regulations on seed production and the rules on seed inspection and quarantine.

Article 24 Collection of seeds within forest seed production bases shall be arranged by the operators of the

seed production bases, and the seeds shall be collected in conformity with the relevant standards of the State. Plundering of unripe seeds and doing damage to mother trees are prohibited, and no seeds may be collected in inferior forest stands or from inferior mother trees.

Article 25 Producers of commodity seeds shall keep files of seed production, in which shall be clearly recorded the production sites, environments of the plots, preceding crops, source and quality of parent seeds, responsible technicians, inspections conducted in the fields, meteorological notes of the origins, distribution of seeds, etc.

Chapter V Trading in Seeds

Article 26 A license system for trading in seeds shall be applied. Only after a seed trading license is obtained may a trade in seeds apply to the administrative department for industry and commerce for a business license or for altering a business license on the strength of the seed trading license.

A system for examination and approval and issue of seed trading licenses at different levels shall be practised. A seed trading license shall be issued after examination by the administrative department for agriculture or for forestry under the people's government at or above the county level where the seed trader is located. The application for a seed trading license for hybrid seeds and parent seeds of main crops, original seeds of conventional varieties or improved varieties of main forest trees shall be subject to examination by the administrative department for agriculture or for forestry under the people's government at the county level where the seed trader is located, and the license shall be issued after examination by the administrative department for agriculture or for forestry under the people's government of a province, autonomous region or municipality directly under the Central Government. The application for a seed trading license submitted by a seed company which combines the selection breeding, and production of seeds and trading in seeds and the registered capital of which reaches the amount specified by the administrative department for agriculture or for forestry under the State Council or submitted by a company that is engaged in import and export of seeds shall be examined by the administrative department for agriculture or for forestry under the people's government of a province, autonomous region or municipality directly under the Central Government and the license shall be issued after examination by the administrative department for agriculture or for forestry under the State Council.

Article 27 The remainder of conventional seeds propagated by peasants themselves for their own use may be sold and exchanged at rural fairs without seed trading licenses, and measures in this respect shall be formulated by the people's governments of provinces, autonomous regions or municipalities directly under the Central Government.

Article 28 The State encourages and supports scientific research institutes, schools, and scientists and technologists in their efforts to research in and develop new crop varieties and improved forest tree varieties, and to trade in them and spread their use in accordance with law.

Article 29 Units or individuals that apply for seed trading licenses shall meet the following requirements:

- (1) having funds commensurate with the seed varieties and quantities traded in and the capability of bearing civil liabilities independently;
- (2) having the personnel who are able to correctly distinguish the seeds traded in and examine seed quality and are skilled in storing seeds and keeping them in good condition;
- (3) having business sites appropriate to the seed varieties and quantities traded in, the facilities for processing, packing and storing the seeds and keeping them in good condition, and the instruments for examining seed quality; and
- (4) meeting the other requirements laid down in laws, rules and regulations.

People who trade specially in packed seeds that are not be divided into smaller packages, or sell seeds on the basis of written commission as agents of the seed traders that have seed trading licenses, may go without seed trading licenses.

Article 30 The effective areas of a seed trading license shall be determined by the authority that issues the license within its jurisdiction. Where seed traders wish to establish branch offices within the effective areas

specified in the trading licenses, they may dispense with extra licenses; however, they shall, within 15 days from the date they obtain or alter the business licenses, report for the record to the local administrative departments for agriculture or for forestry and the authority that issues the license.

Article 31 In a seed trading license shall be clearly stated the scope of seed trading, the mode of business, the effective term and areas, etc.

Forging, altering, trading in and leasing of seed trading licenses are prohibited. No unit or individual without such a license may trade in seeds, and no unit or individual with such a license may do so at variance with the provisions stated in the license.

Article 32 Seed traders shall observe the provisions in relevant laws, rules and regulations, provide seed users with such information as the brief properties of seeds, principal measures for planting, instructions for use of the seeds and relevant advisory services, and they shall be responsible for the quality of the seeds.

No unit or individual may illegally interfere in the seed traders' exercise of their right to independent operations.

Article 33 All the seeds produced by the forest tree seed production bases established by the administrative department for forestry under the State Council or by such departments under the people's governments of provinces, autonomous regions or municipalities directly under the Central Government shall be purchased and regulated for use in a planned and unified manner by the units designated by the said department or departments. No units that are not designated by the said department or departments may arrange for such purchases within the bases.

Without the approval of the administrative department for forestry under the State Council or of such departments under the people's governments of provinces, autonomous regions or municipalities directly under the Central Government, no seeds of rare trees or forest tree seeds the purchase of which is restricted in accordance with the regulations of the people's government at the same level may be purchased.

Article 34 Seeds for sale shall be processed, graded and packed, except those that cannot be processed or packed.

Seeds in large package or imported may be divided and repacked; in such cases, the repackaging units shall be clearly stated and they shall be responsible for the quality of such seeds.

Article 35 A label shall be attached to the package of the seeds for sale. In such a label shall be clearly stated the seed family, variety name, origin, quality index, serial number of quarantine certificate, serial number of the seed production or trading license, or document number of examination and approval for import, etc. What is stated in the label shall be in conformity with the seeds for sale.

For the sale of imported seeds, a label in Chinese is needed.

For the sale of the seeds of transgenic plant varieties, readily readable characters are essential, and safety control measures shall be indicated for their use.

Article 36 Seed traders shall keep seed trading files, which shall contain brief information about the seed source, processing, storage, transportation, the various links of quality test and the responsible persons the places where the seeds are sold to, etc.

Trading files for annual crop seeds shall be kept for two years after the seeds are sold; the length of time for keeping the trading files for perennial crop seeds and forest tree seeds shall be specified by the administrative departments for agriculture and for forestry under the State Council.

Article 37 The contents of seed advertisements shall be conform to the provisions of this Law and laws, rules and regulations on advertisements, and the descriptions of the main properties shall agree with what is in the registration announced.

Article 38 A quarantine certificate shall be attached to the seeds allocated or transported or mailed out of a country.

Chapter VI Use of Seeds

Article 39 Seed users shall have right to purchase the seeds of their own free will. No units or individuals may illegally interfere in such purchases.

Article 40 For the afforestation projects invested by the State or invested mainly by the State and for afforestation by State-owned forestry units, improved forest tree varieties shall be used in accordance with the plans worked out by the administrative departments for forestry.

The State provides support and assistance in the wide use of improved forest tree varieties to plant shelter forests and forests for special use.

Article 41 Where seed users suffer losses due to seed quality problems, the sellers of the seeds shall make compensation, and the amount of such compensation shall include the amount of money spent on the purchase of the seeds, relevant expenses and losses of potential profits.

Where the liability rests on the seed producers or other traders, the sellers who have paid the compensation shall have the right to claim compensation from the producers or other sellers.

Article 42 Where a civil dispute arises over the use of seeds, the parties may have it settled through consultation or mediation. Where the parties are not willing to do so, or consultation or mediation fails, they may apply to an arbitration institute for arbitration in accordance with the agreement reached between them. The parties may also directly file a suit to the People's Court.

Chapter VII Seed Quality

Article 43 The administrative measures for the quality of seeds in respect of seed production, processing, packaging, inspection and storage as well as standards of the trade shall be formulated by the administrative departments for agriculture and for forestry under the State Council.

The administrative departments for agriculture and for forestry shall be in charge of supervision over seed quality.

Article 44 The administrative departments for agriculture and for forestry may entrust seed quality inspection authorities with the inspection of seed quality.

The authorities for inspection of seed quality shall have the necessary testing facilities and capabilities, and shall be ones that are regarded as qualified for the job through assessment by the competent departments under the people's government at or above the provincial level.

Article 45 Seed quality examination inspection authorities shall be manned with inspectors. Seed inspectors shall meet the following requirements:

(1) having graduated from the secondary vocational or technical schools related to the profession or having received such education at a higher level;

(2) having been engaged in the technical work of seed inspection for three years at least; and

(3) having passed the examination conducted by the administrative department for agriculture or for forestry under the people's government at or above the provincial level.

Article 46 Production and trading in false and inferior seeds are prohibited.

The following are false seeds:

(1) non-seeds passed off as seeds, and the seeds of one variety passed off as the seeds of another variety; and

(2) the family, variety or origin of seeds is not in agreement with what is stated in the label.

The following are inferior seeds:

(1) the quality is lower than the standards of seeds for use set by the State;

(2) the quality is lower than the index indicated in the label;

(3) the seeds have deteriorated and cannot reach the specified level; and

(4) the proportion of weed seeds exceeds the specified level; and

(5) the seeds carry the harmful organisms under quarantine specified by the State.

Article 47 Where, due to force majeure, it is necessary to use the crop seeds that are lower than the standards of seeds for use set by the State or by the local authorities, the matter shall be subject to approval by the local people's government at or above the county level where the seeds are to be used; where forest tree seeds are concerned, the matter shall be subject to approval by the people's government of the province, autonomous region or municipality directly under the Central Government where the seeds are to be used.

Article 48 Units or individuals engaged in variety selection, in seed production or trade, or in seed management shall observe the provisions of the laws, rules and regulations on plant quarantine in order to prevent dangerous plant diseases, insect pests, weeds and other harmful organisms from spreading.

No units or individuals may conduct vaccinal experiments against diseases and insect pests at seed production bases.

Chapter VIII Import and Export of Seeds and Cooperation with Foreign Countries

Article 49 Any seeds imported or exported shall be subject to inspection and quarantine for the purpose of preventing dangerous plant diseases, insect pests, weeds and other harmful organisms from spreading into or out of China, and inspection and quarantine shall be carried out in accordance with the provisions of the laws, rules and regulations on entry or exit plant inspection and quarantine.

Article 50 Legal persons or other organizations engaged in the import or export of commodity seeds shall, in addition to the seed trading license, obtain the license for the import and export trade of seeds in accordance with the provisions of the laws, rules and regulations on foreign trade.

The State Council shall fix the limits of authority for examining and approving the introduction of the seeds of crops and forest trees from abroad, and formulate measures for examination and approval of the import and export of such seeds and administrative measures for the introduction of transgenic plant varieties.

Article 51 The quality of the commodity seeds imported shall reach the standards of the State or of the trade. Where there are no such standards to go by, the standards agreed upon in a contract may be applied.

Article 52 Where seeds are imported for producing hybrid seeds for other countries, such imports may be exempt from the restriction laid down in the provision of the first paragraph of Article 50 of this Law, provided that a contract is signed for the production of hybrid seeds for foreign countries, the imported seeds are only to be used for the production of hybrid seeds, and the products are not to be sold at domestic markets. The crop seeds introduced from abroad for experiment shall be planted in isolation, and no cuttings three from may be sold as commodity seeds.

Article 53 The import and export of false and inferior seeds and of the seeds the import and export of which are prohibited by State regulations are prohibited.

Article 54 The examination and approval procedures and administrative measures with regard to foreign enterprises, other economic organizations or individuals that wish to invest in seed production and trading in China shall be formulated by the relevant departments under the State Council in accordance with the provisions of relevant laws, rules and regulations.

Chapter IX Administrative Management of Seeds

Article 55 The administrative departments for agriculture and for forestry are the administrative organs for enforcement of the seed law. When seed law enforcement officials perform their duties in accordance with law, they shall show their administrative law-enforcement papers.

For enforcing this Law, the administrative departments for agriculture and for forestry may conduct on-the-spot inspection.

Article 56 The administrative department of agriculture and forestry and its missionaries may not take part in or undertake seed production, sell and purchase. The operation organizations of seed production may not take part in or undertake the administrative management works of seeds. The administrative department and operation organization of seed production should be isolated on the aspects of personnel and financial affairs.

Article 57 The administrative departments for agriculture and for forestry under the State Council and the people's governments of provinces, autonomous regions and municipalities directly under the Central Government where seeds are propagated in different soil shall improve management and coordination in this regard, and the transportation departments shall give priority to the transport of such seeds.

Article 58 Where issuing after examination relevant certificates or licenses in accordance with this Law, the administrative departments for agriculture and for forestry shall charge no other fees than the fees for the costs of the certificates or licenses issued by them.

Chapter X Legal Responsibilities

Article 59 Anyone who, in violation of the provisions of this Law, produces or trades in false or inferior seeds shall be ordered by the administrative department for agriculture or for forestry under the people's government at or above the county level or by the administrative department for industry and commerce, the seeds and the illegal gains therefrom shall be confiscated, the seed production or trading license or the business license shall be revoked, and a fine shall be imposed; if there are illegal gains, a fine not less than five times but not more than ten times the amount of the illegal gains shall be imposed; if there are no illegal gains, a fine not less than R M B 2,000 yuan but not more than 50,000 yuan shall be imposed; if a crime is constituted, criminal responsibility shall be investigated in accordance with law.

Article 60 Anyone who, in violation of the provisions of this Law, commits one of the following acts shall be ordered by the administrative department for agriculture or for forestry under the people's government at or above the county level to put it right, the seeds and the illegal gains therefrom shall be confiscated, and a fine not less than the amount of the illegal gains but not more than three times that amount shall be imposed; if there are no illegal gains, a fine not less than 1,000 yuan but not more than 30,000 yuan shall be imposed; the seed production or trading license of the lawbreaker may be revoked; if a crime is constituted, criminal responsibility shall be investigated in accordance with law:

(1) producing seeds without a seed production license, forging, altering, trading in or leasing seed production licenses, or producing seeds at variance with the provisions stated in the seed production license; or

(2) trading in seeds without a seed trading license, forging altering, trading in or leasing seed trading licenses or trading in seeds at variance with the provisions stated in the seed trading license.

Article 61 Anyone who, in violation of the provisions of this Law, commits one of the following acts shall be ordered by the administrative department for agriculture or for forestry under the people's government at or above the county level to put it right, the seeds and the amount of illegal gains but not more than three times that amount shall be imposed; if there no illegal gains, a fine not less than 1,000 yuan but not more than 20,000 yuan shall be imposed; if a crime is constituted, criminal responsibility shall be investigated in accordance with law:

(1) selling at domestic markets the seeds of hybrid seeds produced for other countries;

(2) selling the yields from crop seeds, which are introduced from abroad for introduction experiment, as commodity seeds at domestic markets; or

(3)collecting or cutting, without authorization, the natural germ plasm resources under special protection of the State.

Article 62 Anyone who, in violation of the provisions of this Law, commits one of the following acts shall be ordered by the administrative department for agriculture or for forestry under the people's government at or above the county level or by the administrative department for industry and commerce to put it right and shall be fined not less than 1,

(1)trading in seeds that are not packed as they should be;

(2)trading in seeds with no labels attached or the contents of the label do not conform to the provisions of this Law;

(3)forging or altering labels or the data of experiments and examination;

(4)failing to prepare and preserve files regarding seed production and trading as required; or

(5)failing to report for the record when a seed trader establishes branch offices in other areas.

Article 63 Where, in violation of the provisions of this Law, germ plasm resources are provided or introduced from abroad, the administrative department for agriculture or for forestry under the State Council or under the people's government of a province, autonomous g autonomous region or municipality directly under the Central Government shall confiscate the germ plasm resources and the illegal gains therefrom, and impose a fine not less than 10,000 yuan but not more than 50,000 yuan

Where germ plasm resources are being brought or transported out of China without the approval documents of the administrative departments for agriculture or for forestry, the Customs shall seize the said resources and transfer them to the administrative department for agriculture or for forestry under the people's government of

a province, autonomous region or municipality directly under the Central Government for disposition.

Article 64 Anyone who, in violation of the provisions of this Law, trades in or popularizes the seeds that are subject to registration but fail to pass the registration shall be ordered by the administrative department for agriculture or for industry under the people's government at or above the county level to discontinue such trading or popularization, the seeds and illegal gains therefrom shall be confiscated, and a fine not less than 10,000 yuan but not more than 50,000 yuan shall also be imposed.

Article 65 Anyone who, in violation of the provisions of this Law, plunders unripe seeds, damages mother trees or collects in inferior forest stunds or from inferior mother trees shall be ordered by the administrative department for forestry under the people's government at or above the county level to discontinue such acts, the seeds collected shall be confiscated, and a fine not less than the value of the collected seeds but not more than three times that value shall be imposed; if a crime is constituted, criminal responsibility shall be investigated in accordance with law.

Article 66 Where tree seeds are purchased in violation of the provisions of Article 33 of this Law, the competent administrative department for forestry under the people's government at or above the county level shall confiscate the seeds purchased, and impose a fine not more than two times the purchase price of the tree seeds.

Article 67 Anyone who, in violation of the provisions of this Law, conducts vaccinal experiment against diseases and insect pests at seed production bases shall be ordered to discontinue such experiment and shall be fined not more than 50,000 yuan.

Article 68 Where a seed quality inspection authority issues false inspection certificates, it shall bear joint and several liability with the seed produces or sellers; and the seed quality inspection authority and the persons who are responsible shall be investigated for administrative liability in accordance with law; if a crime is constituted, criminal responsibility shall be investigated in accordance with law.

Article 69 Anyone who compels seed users to purchase and use the seeds against their own free will and thus causes losses to the seed users shall bear the liability to pay compensation.

Article 70 Where, in violation of the provisions of this law, administrative departments for agriculture or for forestry issue production licenses or seed trading licenses to seed producers or traders that do not meet the requirements, the persons who are directly in charge and the other persons who are directly responsible shall be given administrative sanctions in accordance with law; if a crime is constituted, criminal responsibility shall be investigated in accordance with law.

Article 71 Administrative officials for the management of seeds who engage in malpractices for personal, abuse their power or neglect their duty, or, in violation of the provisions of this Law, engage in seed production or trading shall be given administrative sanctions in accordance with law; if a crime is constituted, criminal responsibility shall be investigated in accordance with law.

Article 72 Where a party believes that the specific administrative acts conducted by a relevant administrative organ infringes upon his lawful rights and interests, he may apply for administrative reconsideration according to law or may directly bring a suit to the People's Court in accordance with law.

Article 73 After the administrative department for agriculture or for forestry revokes the seed trading license of a lawbreaker in accordance with law, it shall notify the administrative department for industry and commerce to cancel or alter his business in accordance with law.

Chapter XI Supplementary Provisions

Article 74 The following terms used in this Law mean:

(1) germ plasm resources refer to the basic materials for breeding new varieties, including the propagating materials for the cultigens and wild species of various plants as well as the hereditary materials of the various plants artificially created with the above-mentioned propagating materials.

(2) Varieties mean the flora artificially bred or discovered and improved, and their morphological characteristics are in conformity with their biological characteristics and their hereditary properties are relatively stable.

(3)The main crops refer to rice, wheat, maize, cotton, soybean and one or two other crops determined respectively by the administrative department for agriculture under the State Council or under the people's government of a province, autonomous regions or municipality directly under the Central Government.

(4)The improved varieties of forest trees refer to the verified tree seeds which, in a given area, are obviously better than those of the propagating and planting materials mainly planted at the time in terms of output, adaptability and resistance.

(5)Labels mean the specific patterns and written directions fixed to the surface of seed packages and inside or outside such packages.

Article 75 The main forest trees mentioned in this Law are determined and announced by the administrative department for forestry under the State Council; the administrative department for forestry under the people's government of a province, autonomous region or municipality directly under the Central Government may determine no more than eight other varieties in addition to the ones determined by the said department under the State Council.

Article 76 The germ plasm resources of weed seeds and edible fungi shall be controlled and the weed seeds and edible fungi shall be bred, produced, traded in, used and managed by applying this Law *mutatis mutandis*.

Article 77 Where the provisions of the international treaties on seeds concluded or acceded to by the People's Republic of China are different from those of this Law, the provisions of the international treaties shall prevail, except where the People's Republic of China has declared reservation.

Article 78 This Law shall go into effect as of December 1, 2000. The "Seed Control Regulations of the People's Republic of China" promulgated by the State Council on March 13, 1989 shall be abolished at the same time.